September 30, 2002

Magalie Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, D.C. 20426

RE: Islander East Pipeline Project Final Environmental Impact Statement Docket No. CP01-384-000 and CP01-387-000 (EPA ERP # FRC-B03010-00)

Dear Ms. Salas:

In accordance with our responsibilities under the National Environmental Policy Act (NEPA), and Section 309 of the Clean Air Act we have reviewed the Final Environmental Impact Statement (FEIS) for the proposed Islander East Pipeline Project (IE) proposed by the Islander East Pipeline Company, L.L.C. (Islander East) and the Algonquin Gas Transmission Company (Algonquin).

The FEIS explains that Islander East proposes to construct 50 miles of new 24-inch pipeline and other facilities including meter stations and mainline valves in various locations along the alignment as it runs through Connecticut and Long Island Sound. Approximately 22 miles of the proposed pipeline is to be constructed across Long Island Sound. Algonquin proposes to uprate 27 miles of existing pipeline and to add a new compressor station along the pipeline route. As was the case in the DEIS, the project is presented as a means to provide natural gas transmission from supply areas in the northeast to energy markets in Connecticut, Long Island, and New York City.

EPA offered comments on the April, 2002 DEIS on a number of issues related to the rigor of the analysis of alternatives, the project purpose and need, wetland, marine and water supply impacts, and effects on land trust/conservation properties along the route. Since the publication of the DEIS, the Connecticut General Assembly passed legislation that establishes a one year moratorium, set to expire in June 2003, on the final approval of pipelines or transmission cables through Long Island Sound. In addition, the legislation establishes a task force to prepare and complete a comprehensive environmental assessment of the Sound's natural resources and requires that a regional energy study be conducted to identify future regional energy needs. The intent of that study is to more fully inform decisions made by regulators and legislators about the need for and location of additional transmission capacity. The project has been the focus of significant regional interest focused on the protection of the numerous marine resources of Long Island Sound. Numerous commentors, including the EPA, in comments on the DEIS, encouraged FERC to consider competing gas line projects such as the Iroquois' Eastern Long

Island System Alternative (ELI) as alternatives to the Islander East project. Moreover, EPA and others questioned whether more than one project across Long Island Sound would be necessary to provide adequate gas supplies to Connecticut and Long Island.

The FEIS concludes that the ELI alternative is "environmentally preferable" to the Islander East alternative, because it requires a shorter crossing of Long Island Sound, avoids more marine resources, and minimizes onshore impacts in Connecticut. We agree that the ELI alternative appears to be less damaging than the Islander East alternative. It is not clear, however, why this alternative did not become the preferred alternative as it appears to satisfy the project need with less impact on the environment. While the FEIS also "recognize(s) that there are other policy related consideration(s) and/or factors that may make (the ELI) alternative less desirable," these factors are poorly explained in the FEIS. This is unfortunate, especially if they form the rationale for not selecting the ELI alternative as the preferred alternative. We note that the ELI system alternative is the subject of a DEIS released during the comment period for the Islander East FEIS. EPA is currently in the process of reviewing that document.

The FEIS presents new information about project alternatives for review and comment for the first time, and in addition, FERC approved the Islander East project on September 18, 2002. The approval comes almost two weeks in advance of the end of the typical thirty day wait period on the FEIS. As a result, the comments that EPA and other parties are making on the FEIS regrettably were not considered as part of the FERC decision on September 18, 2002. Therefore, unfortunately, because FERC's decision has already been made, the issues that remain unresolved, such as the analysis of alternatives, will need to be addressed in the Clean Water Act Section 404 process administered by the Corps of Engineers. That process will determine whether the ELI alternative, the Islander East alternative, or others are permittable under the Clean Water Act. Because we continue to have environmental concerns about this project we offer the following additional comments about the FEIS for use in future EIS's and for purposes of the 404 permit process.

- **Like the DEIS, the FEIS lacks the detailed information necessary to understand the direct, indirect and secondary impacts to wetlands and waters of the United States associated with the proposed project.** Assessment of indirect and secondary impacts is essential to understanding the full scale and significance of environmental impacts, particularly for a project of such large scope and with such a wide range of impact types and locations. This deficiency includes a lack of detailed information on the specific locations and functions and values of the wetlands and aquatic ecosystems impacted--important information to support a complete analysis of alternatives to the proposed project as required by both NEPA and Section 404(b)(1) of the Clean Water Act. In addition, indirect impacts to wetlands and waters of the U.S. remain unspecified in the FEIS, despite our earlier call for this assessment in our comments on the DEIS. This lack of detailed information on the quality of the wetlands and other aquatic ecosystem impacts makes it difficult to determine the relative impacts of various alternatives, or

whether impacts associated with the proposed project are likely to receive a Clean Water Act Section 404 permit, in accordance with the Clean Water Act Section 404(b)(1) guidelines (40CFR230.10 (c)).[1]

- **Based on information provided in the FEIS, EPA cannot agree with Section 5.1 of the FEIS which concludes that "the construction and operation of the Islander East Pipeline Project would result in limited adverse environmental impacts."** Instead, according to the FEIS, construction of the Islander East Project would result in direct impacts to over 3100 acres in open waters including benthic impacts to Long Island Sound (not including impacts to open waters for crossings of less than 100 feet, which could be substantial, and which were not evaluated and accounted for in the FEIS); 125.5 acres of forested habitat, including forested wetlands; and 83.1 acres of open lands, including shrub-scrub and emergent wetlands. Direct impacts alone to 41 forested, shrub-scrub and emergent wetland systems exceed 30 acres, over a crossing distance of 3.5 miles of wetlands. Additional detailed comments about the potential for impacts are provided in the attachment to this letter.

- **EPA continues to recommend that reductions in the width of rights-of-way along the route be pursued to the greatest extent practicable to reduce adverse environmental impacts.** A clear explanation of how the sizes for reduced rights-of-way are established would also be of great value as part of this process. This should include a detailed and site specific analysis of route variations (with maps) to avoid and/or minimize impacts to wetlands and aquatic ecosystems.

- **EPA encourages FERC and the applicant to continue close coordination with land trust/conservation organizations that own/manage sensitive properties along the proposed pipeline route.** Creative approaches to prevent/minimize impacts should be considered and made part of a binding and enforceable mitigation package.

We support improvements to the regional energy supply as is evidenced by air quality permits EPA and the states have approved for 26 new power plants over the past five years. Moreover, hundreds of miles of energy transmission lines have been constructed over that time frame. We support future investment in energy infrastructure that improves reliability, reduces costs, and protects the environment. We believe these investments and improvements can occur in a timely manner that results in appropriately sited and environmentally acceptable transmission facilities. Even though in this case a decision has been made to approve the Islander East project, EPA anticipates working closely with our state and federal colleagues, and others, to support a comprehensive consideration of alternatives and analysis of the impacts they may cause to Connecticut, New York and Long Island Sound. EPA looks forward to participating in those discussions. Further, we recognize that FERC has recently issued guidance on NEPA prefiling

[1]EPA intends to offer additional detailed comments on the project and project alternatives in conjunction with the Corps of Engineers permitting process pursuant to Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act of 1899.

involvement in natural gas projects and we believe this may result in a more conducive environment for streamlined reviews.

Please feel free to contact me or Timothy Timmermann of EPA New England's office of Environmental Review at 617/918-1025 if you wish to discuss these comments further.

Sincerely,

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Robert W. Varney
Regional Administrator

Attachment

cc:

Senator Joseph I. Lieberman
Senator Christopher J. Dodd
Congressman Rob Simmons
Congressman Rosa DeLauro
Congressman Christopher Shays
Governor John G. Rowland
Arthur J. Rocque, Jr., Commissioner, Connecticut DEP
Cori Rose, U.S. Army Corps of Engineers
Mike Ludwig, National Marine Fisheries Service

Additional Detailed Comments on the Islander East Pipeline Project
Final Environmental Impact Statement

This attachment details comments, questions and concerns on various elements of the FEIS analysis. In most cases, the concerns are listed with reference to a corresponding page number in the FEIS.

(2-21) The analysis lacks site specific descriptions of the location, resources and impacts associated with "temporary" workspaces. The FEIS states that workspaces would sometimes "need to be situated less than 50 feet from a waterbody or even within a waterbody." Adverse effects could be relatively long term, rather than temporary, in forested areas.

(3-43) Sediment sampling was conducted from the HDD exit hole location at approximately one mile intervals for the length of the proposed alignment, for a total of 23 samples. The small number of samples (23) and distances between single samples (one sample per mile) may not adequately represent the sediment chemistry of the Sound along the proposed pipeline route.

(3-43) It is unclear why BETX analyses conducted only for samples collected in NY and not for CT samples.

(3-44) IE "submitted site specific computer modeling data that estimates sediment dispersion from construction of the pipeline." These data are not provided with the FEIS document. EPA requests copies of the computer analyses on site specific sediment fate and transport, sediment mound erosion and water quality modeling analyses.

(3-49) A 25' by 8' trench is described. It is unclear when the trench must be so wide and deep.

(3-49) The FEIS states that a "majority of trench spoil will be 25 feet to either side of the trench," impacting 183 acres. It is unclear in this context what "majority" might mean (e.g. 51%) and it would be helpful to know how much area be impacted if all of the sidecast material was included in the calculation.

(3-50) A detailed cross section of the HDD exit basin would help us to better understand the impacts of the basin. It is EPA's understanding that this basin will be constructed nearshore in only 20 feet of water. Sediment mounds defining the basin are estimated in the FEIS to be at least 9 feet tall and 65 feet wide, leaving an average depth of only 11 feet of water, less during low tide events, over the loosely consolidated spoil mounds. Estimates of erosion and sediment resuspension (only 0.5 to 1.0 foot over a three month period) in this shallow water environment, particularly during the stormy and windy winter season, appear to be overly optimistic, and more severe adverse effects than those presented are likely.

(3-50) The LTFATE model was run with current and wave data collected between February and April, which included a storm characterized as having a recurrence interval of 2 to 2.5 months. Since the project is scheduled to take place over seven months (October through April, Table 2.3-1) it appears that the data set used may not have captured a representative sample of ambient conditions, much less worst case conditions. Indeed, the storm modeled (with a 2 to 2.5 month recurrence interval) likely underestimates the conditions that would be encountered. Model input for ambient conditions (e.g. wave amplitude, wind speed, and current) which allow for some protective margin of safety when evaluating potential adverse environmental impacts would be more appropriate.

(3-49) It is not clear whether the LTFATE model or some other analysis was conducted to determine sediment fate and transport along the plowed trench? Impacts are characterized as only covering 25 feet on either side of trench. As noted in the FEIS, storm events in the Sound frequently resuspend sediments to depths of 20 meters. Trenching by plow will occur in depths greater than only 20 feet, (approximately 6 meters) according to FEIS, so it is likely that the erosion and resuspension expected in the dredged portion of the trench will also occur in the more nearshore portions of the plowed trench.

(3-51) Computer modeling of turbidity and other water column effects was apparently not conducted. If not, why not? The analysis of water column effects and water quality impacts should be part of the overall project evaluation.

(3-51) Despite a lack of modeling or analytical assessment of water quality, the FEIS states that "within the radii predicted by the model for the depositions areas, it is expected that turbidity levels would be locally increased" and "expected to return to background conditions within days of the completion of backfilling the transition basin and trench." The FEIS does not discuss water quality impacts other than turbidity, and provides no analysis to support statements about turbidity. Furthermore, the area of water quality impacts is limited in the discussion to the range of the depositional areas, ignoring the fact that water quality impacts of resuspended sediment plumes, and any associated chemical contamination, could carry far beyond the boundaries of the eroded sediment mounds.

(3-51) The FEIS states that adverse water quality impacts would last no more than "several months." Even accepting what are likely to be overly optimistic assumptions about erosion and resuspension, as well as the underestimation of the areal extent of the impacts, this implies that the proposed activities could cause or contribute to the violation of water quality standards in Long Island Sound. For example, typical time frames for water quality criteria for aquatic organisms are on the order of hours (typically, one hour) for acute criteria and days (typically, 96 hours) for chronic criteria. A much more rigorous and detailed analysis of sediment fate and transport and the associated water quality impacts is warranted.

(3-54) Through additional site specific data collection, Islander East has determined that bedrock would not be encountered, FEIS states that no underwater blasting would be expected. We would like to review the information that forms the basis of the conclusion that no blasting will be required for Long Island Sound.

(3-55) Islander East proposes to use an unspecified biocide in the hydrostatic test water, which would be discharged to Long Island Sound after "neutralization" with hydrogen peroxide. We would like to have more information about the proposed biocide and the conditions under which it is proposed to be discharged to waters of the United States.

(3-61) The FEIS states that the subsea plow method of trenching would be used as the "primary means of trenching between MPs12.00 and 32.15 where technically feasible." Under what conditions might the subsea plow not be feasible, other than at intersections with other known infrastructure crossings? Islander East has stated that no bedrock is present, and thus no blasting will take place.

(3-66) FEIS states that blasting would be required at the crossing of the Muddy River, and goes on to describe the potential resultant fish mortality. The analysis does not describe why other less environmentally damaging alternatives to blasting are not practicable.

(3-103) Table 3.8.1-3 describes open water impacts totaling 298.6 acres during construction and 27.4 acres during operation of the Islander East pipeline. However, open water crossings are defined in footnote a as surface water crossings greater than 100 feet. It is not clear how are surface water crossings less than or equal to 100 feet are accounted for in the impacts analysis.

(4-3) The FEIS states that the ELI alterative would eliminate the construction of 10.2 miles of new onshore mainline in Connecticut. The avoidance of onshore pipeline construction in Connecticut would result in the elimination of the direct adverse impacts associated with 16 stream crossings, 41 wetland crossings and would avoid 0.4 miles of land trust property. It would avoid the disturbance of 185 acres of land onshore in Connecticut, including 36.4 acres of forested land and construction within 50 feet of 34 residences.

(4-4) As proposed in islander East FEIS, the ELI alternative would reduce the length of long Island Sound crossed by 5.5 miles. ELI would directly impact 936 of shellfish lease area through trenching for pipe installation, compared to the Islander East proposal, which would directly impact 6141 feet of shellfish lease areas through trenching. Both alternatives would result in substantial areas of bottom disturbance associated with anchor scars and cable sweep: ELI would directly impact 2930 acres, while Islander East would directly impact 3106 acres.

(4-6) The FEIS states that based on FERC's environmental analysis, "the ELI system Alterative is environmentally preferable" to the Islander East alternative, because of reduced onshore and offshore impacts, except for emissions.

(Response to comment F3-11)

EPA continues to believe that more information should be required to describe what constitutes drill failure where Horizontal Directional Drilling (HDD) fails. While we understand that each HDD is unique, it should be clear how each HDD will be approached and how many drill attempts will be made, for example, before failure is determined.

(Drilling Muds)

HDD will result in the generation of drilling muds. Additional analysis to determine whether HDD drilling muds released to Long Island Sound waters can be recaptured and properly disposed is likely to be required during the review of the project under the Clean Water Act.